

FISCAL NOTE

SB 972 - HB 1879

February 20, 2001

SUMMARY OF BILL: Specifies that all counties must require successful completion of emissions testing before issuance or renewal of motor vehicle registration.

ESTIMATED FISCAL IMPACT:

Increase State Revenues - Exceeds \$3,000,000

**Increase State Expenditures - \$1,375,000 Recurring
\$2,381,000 One-Time**

Increase Local Govt. Revenues - Exceeds \$1,000,000

**Increase Local Govt. Expenditures* - Exceeds \$500,000 Recurring
Exceeds \$1,000,000 One-Time**

Estimate assumes:

- the emissions testing fee would be established to cover expenses incurred by the state and local governments and the contractor.
- areas where testing is currently required (Davidson, Rutherford, Sumner, Wilson and Williamson Counties and the City of Memphis) would continue their programs as they are currently operated.
- counties not currently required to do emissions testing but that have air quality programs (Knox, Hamilton and Shelby) would oversee the emissions testing program in their county and the state would oversee the program in other counties.
- 2,345,000 vehicles to be tested in the state program and 715,000 to be tested in local programs.
- state will receive of a share of revenues from testing fees for vehicles in the state program less a portion of its share that goes to county clerks.
- in counties where the program is locally operated the county will retain the share of revenues from testing fees that would otherwise go to the state.
- the majority of the revenues from testing fees would go to the contractor operating the testing program. The contractor would be responsible for building, staffing, training, and equipping testing stations.

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- the state will experience an increase in expenditures for 21 positions in the Department of Environment and Conservation to oversee the statewide emissions testing program with salary and benefits of \$680,000.
- the state will experience an increase in expenditures for operating costs, supplies, office space, maintenance and travel for these new positions of \$195,000 and computer system maintenance of \$500,000.
- the state will experience a one-time increase in expenditures for office equipment and furniture (\$126,000), vans (\$400,000), testing equipment (\$1,155,000), and garages for storage and testing (\$700,000) related to the administration of the program and the additional positions in the Department of Environment and Conservation. These one-time expenditures would be recovered over the first two years of the program.
- *to the extent the state-wide emissions testing program includes implementation of a system linking emissions testing stations with vehicle registration on-line renewals the Department of Environment and Conservation estimates an additional one-time expenditure of \$4,000,000 for this system. The emissions testing fee would likely be adjusted to accommodate this expenditure.*
- local governments overseeing vehicle inspection programs will experience an increase in expenditures for additional positions, operating costs, supplies, office space, and travel estimated to exceed \$500,000.
- local governments overseeing vehicle inspection programs will experience a one-time increase in expenditures for office equipment, furniture, vehicles, and testing equipment estimated to exceed \$1,000,000.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director